

## **Amendment to FY 2014-15 HOME Annual Action Plan and FY 2016-2017 HOME Annual Action Plan**

### **A. Amend the FY 2014-15 HOME Annual Action Plan**

The 2010 – 2015 Consolidated Plan includes the following goals:

- **Increase Affordable Rental Opportunities and**
- **Increase Affordable Homeownership Opportunities.**

The FY 2014-15 HOME Annual Action Plan identified an Acquisition/Rehabilitation and New Construction Project (as a method of achieving the Increase Affordable Rental Opportunities goal). Projected available FY 2014-15 HOME funds were to be committed to this Project and a specific Activity was to be determined during the year and added to the Plan through an Amendment to the Plan process.

However, there were difficulties in obtaining resources for this type of project due to limited land, financial resources, and limited partner investments. Opportunities became available to immediately fund a project in development with the 2014-15 and prior year funding.

Therefore the City and Housing Authority is now amending the FY 2014-15 Annual Action Plan in the following manner:

1. Eliminate the Acquisition/Rehabilitation and New Construction Project from the Plan.
2. Add the New Construction Homeownership Project (which was identified in the 2010-2015 Consolidated Plan as a method of achieving the Increase Affordable Homeownership Opportunities goal).
3. FY 2014-15 HOME funding and any prior year HOME funds will be transferred from one project to the other.
4. The Chestnut Habitat New Construction Development Activity is being added and will be funded with the FY 2014-15 HOME funds including any remaining prior year HOME funds.
5. The Chestnut Habitat Homeownership Assistance Loan Activity is being added and will be funded with the FY 2014-15 HOME funds including any prior year HOME funds.

Description of the two Chestnut Habitat Activities:

#### **1. Chestnut Habitat New Construction Development Activity:**

The Activity is being developed by San Gabriel Valley Habitat for Humanity at 806 E Chestnut Street, Glendale, CA 91205. The development is construction of three new condominium units. A loan of \$300,000 is to be provided to the developer to subsidize construction costs to permit the sale of the homes for an affordable sales price to Low Income (51-80% of Area Median Income) First Time Homebuyers. The loan will be forgiven upon completion of the sale of the units. The activity will leverage the homebuyer's sweat equity, private contributions, gifts-in-kind, donated labor and

materials, and other governmental sources of funding necessary to reduce total project development costs.

## **2. Chestnut Habitat Homeownership Assistance Loan Activity:**

The Activity is to provide homeownership assistance loans to three Low Income (51-80% of Area Median Income) First Time Homebuyer households who will purchase the three new homes at 806 E. Chestnut Street, Glendale, CA 91205 being developed by San Gabriel Valley Habitat for Humanity. Each homeownership loan, in the amount of \$133,000, is to be provided to the homebuyers to permit them to purchase the homes for an affordable sales price. The loans are to be forgivable, deferred payment loans with resale restrictions for a term of 30 years. The activity will leverage the homebuyer's sweat equity, downpayment assistance loans from federal and state programs, and a 0% interest rate first mortgage loan from Habitat for Humanity.

### **B. Amend the FY 2016-2017 HOME Annual Action Plan**

City of Glendale staff is not certain as to whether a new Activity funding in the FY 2016-17 Plan year, although funded with 2014-15 HOME funds, needs to be included in the FY 2016-17 HOME Annual Action Plan and needs to be placed into the IDIS reporting system. Staff is consulting with HUD on this question at this time.

**Description of Activity:** Chestnut Habitat Homeownership 806 E. Chestnut Street

So, in order to comply with any possible HUD Consolidated and Annual Action Plan requirements, staff is also planning at this time to amend the 2FY 016-2017 Annual Action Plan by including the additional Project and Activity described above in the FY 2014-15 Annual Action Plan amendment.

The 2015 – 2020 Consolidated Plan includes the following goals:

- **Increase Affordable Rental Opportunities and**
- **Increase Affordable Homeownership Opportunities.**

The FY 2016-17 HOME Annual Action Plan identifies an Acquisition/Rehabilitation and New Construction Project (as a method of achieving the Increase Affordable Rental Opportunities goal). Projected available FY 2016-17 HOME funds are to be committed to this Project and a specific Activity is to be determined during the year and added to the Plan through an Amendment to the Plan process.

The City and Housing Authority will amend the FY 2016-17 Annual Action Plan to include the same Project and Activity described above. The amendment is to be, if required:

1. **Add a New Construction Homeownership Project (which is identified in the 2015-2020 Consolidated Plan as a method of achieving the Increase Affordable Homeownership Opportunities goal).**

2. The Chestnut Habitat New Construction Development Activity is being added, if required by HUD, and will be funded with the FY 2014-15 HOME funds including any remaining prior year HOME funds. See description above.
3. The Chestnut Habitat Homeownership Assistance Loan Activity is being added, if required by HUD, and will be funded with the FY 2014-15 HOME funds including any prior year HOME funds. See description above.